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DPD-1720-59 Copy__of 7

13 March 1959

MEMORANDUM FOR: Comptroller DPD

SUBJECT

: Status of Contract BC-450, Hycon Manufacturing

Company

REFERENCES

: A. DPD-0806-59 dated 5 February 1959 Subject: "Trip Report,

25X1A

B. DPD-1050-59 dated 11 February 1050 Subject: "Trip Report,

25X1A

C. DPD-1326-59 dated 25 February 1959 Subject: "Commonts on Police Report

25X1A

D. DPD-1467-59 dated 11 March 1959 Subject: "Field Trip to Los Angeles, California"

1. You will recall our discussions following the transmission of Reference C wherein you questioned certain costs generated by contract number BC-450. Your misgivings were based upon an apparent discrepancy between the total payments made by you in the amount of for CHALICE and the fact that apparently only \$7,000.00 of this amount was expended for material and travel costs directly applied. You had speculated that the contractor might have been securing his material and/or components utilized in the maintenance of our equipment from the Project Supply Depot.

2. Prior to the departure of the trip covered by Reference D, I was able to determine from of the Contracts Branch, that in fact material for the maintenance of our equipment was being drawn from the Project Supply Depot, but under the provisions of a Call Contract HF-CT-696. As I recall, I informed you of this orally and it was your reaction that this made the discrepancy noted above more understandable.

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WE CHANGE IN CLASS.

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CLASS. CHANGED TO: TS S O

ELYI MAYING DATE:

AUTH: HR 10-2

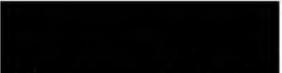
DATE: 5/1/12 REVIEWER: 064540

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3. I have read with interest Reference D and in particular the portions pertaining to the visit of the team to Hycon on 2 and 3 March 1959. In particular, I would like to know if you are satisfied with the findings discussed in Reference D, as they pertain to Hycon. I assume that if any further action is required on the status of DC-450, you will advise me.



25X1A

Chief, Administrative Branch Development Projects Division DD/P

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